Agreement

Between





PARAGON SYSTEMS, INC.

and the

UNITED SECURITY & POLICE OFFICERS of AMERICA



And its Local 210

representing the

PROTECTIVE SECURITY OFFICERS

at EPA Headquarters

8/31/2014 - 9/30/2017

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PREAMBLE TO AGREEMENT

This Agreement is entered into upon ratification and full execution by all parties, by and between Paragon Systems, Inc. ("Company" or "Employer"), and the United Security and Police Officers of America and its Local 210 ("Union").

Should there be any conflict between the Paragon Policies and Procedures and the Collective Bargaining Agreement, the Collective Bargaining Agreement will control. Should there be any conflict between the Contract between Paragon and the Government, and the Collective Bargaining Agreement, the Contract between Paragon and the Government will control.

ARTICLE 1 PARTIES AND TERMS

Section 1.1 This agreement shall become effective upon ratification and full execution, and shall continue in full force and effect through and until Midnight September 30, 2017, and from year to year thereafter unless modified or terminated by either party in accordance with Article 18.

Section 1.2 The Company recognizes the United Security and Police Officers of America and its Local 210, as sole and exclusive bargaining representative for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment, for the employees of the Company as described in Section 1.2 of this Article and in accordance with the National Labor Relations Act, as amended.

Section 1.2 For the purpose of this Agreement, the term "Employee" shall include all armed and unarmed security officers employed by Paragon Systems performing guard duties as defined by Section 9(b)(3) of the National Labor Relations Act, assigned to Federal facilities at EPA Headquarters under the Company's contract HSHQEC-13-D-00005 with the Federal Protective Service, excluding office clerical employees, managerial personnel, supervisors as defined by the National Labor Relations Act, and all other personnel. It is expressly agreed and understood between the parties that neither probationary employees as defined in this agreement, nor persons enrolled or participating in pre-hire training programs offered by the Company, shall be considered employees under this Section.

Section 1.3 Probationary Employees. All employees newly hired, or rehired after termination of their seniority, shall be classified as probationary employees for a period of ninety (90) days from the date of hire or rehire. During their probationary period, the employment relationship between the Company and the probationary employee shall be at will and the probationary employee may be subject to discipline or discharge at the discretion of the Company without regard to the provisions of Article 12 of this Agreement.

ARTICLE 2 PURPOSE OF THE AGREEMENT

It is the intent and purpose of the Company and the Union that this Agreement shall promote and improve industrial and economic relations between the Company and its employees, and to set forth provisions with respect to rates of pay, wages, hours of work and other conditions of employment covering employees of the Company, and to provide a peaceful method of adjusting grievances that may arise in the course of employment between the Employer and the employees with respect to wages, hours, and other conditions of employment and to provide for an orderly collective bargaining relationship between the Company and the Union.

ARTICLE 3 UNION SECURITY & DUES DEDUCTIONS

Section 3.1 An employee who is not a member of the Union at the time this Agreement becomes effective shall become a member of the Union within ten (10) days after the thirtieth (30th) day following the effective date of this Agreement or within ten (10) days after the thirtieth (30th) day following employment, whichever is later, as a condition of continued employment, and shall remain a member of the Union, to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union, for the duration of this Agreement.

Employees meet the requirement of being members of the Union, within the meaning of this Article, by tendering the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union or, in the alternative, by tendering to the Union financial core fees and dues, as defined by the U.S. Supreme Court in NLRB v. General Motors Corporation, 373 U.S. 734 (1963) and Beck v. Communications Workers of America, 487 U.S. 735 (1988).

In the event the Union requests the discharge of an officer for failure to comply with the provisions of this Article, it shall serve written notice on the Employer requesting that the employee be discharged effective no sooner than two (2) weeks of the date of that notice. The notice shall also contain the reasons for discharge. In the event the Union subsequently determines that the employee has remedied the default prior to the discharge date, the Union will notify the Employer and the officer, and the Employer will not be required to discharge that officer.

Anything herein to the contrary notwithstanding, and officer shall not be required to pay money to the Union, or to become a member of, or continue membership in, the Union as a condition of employment, if employed in any state, in any location other than an enclave wherein exclusive federal jurisdiction applies, which prohibits or otherwise makes unlawful payment to a labor organization or membership in a labor organization as a condition of employment.

Section 3.2 The Employer agrees to deduct initiation fees and Union dues or service fees for proportionate share payments from the wages of officers who voluntarily authorize the Employer to do so on a properly executed check-off authorization card provided by the Union. Deductions shall be taken from each bi-weekly paycheck in equal amounts not to exceed the total monthly dues amount specified by the Union. Funds deducted, along with a summary sheet including the names, addresses, social security number, the amount of dues deducted from each, shall be remitted to the Secretary/Treasurer of the Union within fifteen (15) days after the first regular payday of the month. The Employer will also provide a monthly summary sheet describing gross amounts remitted and a schedule, by person and Social Security number, indicating amounts withheld.

The Union agrees it will promptly furnish to the Employer a written schedule of the Union dues, initiation fees, and proportionate share payments. The Union also agrees to promptly notify the Employer in writing of any changes to these amounts. Union authorization cards must be submitted prior to the fifteenth (15th) of the month proceeding the date that deductions are to be made.

The Union agrees to indemnify the Employer against any loss or claim, which may arise as a result of the Employer's compliance with the Union membership or check off Articles. In addition, the Union agrees to return to the Employer any erroneous or improper overpayment made to it.

ARTICLE 4 UNION RIGHTS

Section 4.1 Stewards.

A. Recognition. The Company recognizes the right of the Union to designate shop stewards. The Company agrees to recognize two (2) Stewards per shift. Within ten (10) calendar days of the execution of this Agreement, the Union shall furnish to the Company, in writing, the names of each of the Union's designated stewards. Changes to these assignments shall be provided by the Union to the Company, in writing, within two (2) calendar days of such change becoming effective.

B. Steward Authority. The authority of Stewards shall be limited to, and shall not exceed, the following duties and activities: (I) representation of employees in disciplinary interviews consistent with Section 12.6 of this Agreement and as permitted under the National Labor Relations Act; (2) the investigation and presentation of grievances in accordance with this Agreement; (3) the transmission of such information and messages to and from the Union, which shall originate with and are authorized by the Union's Officers, provided such messages have been reduced to writing; and (4) the right to bring a grievance to the Company's attention at the time of the occurrence in accordance with the terms of this Agreement. Such duties shall be conducted during non-working time and may not interfere with the operations of the Company. Such activities may be conducted during working time, in exceptional cases, where agreed upon by the Company, but neither the Steward nor the employee shall depart from their normal job assignment without the clear written consent of the Company's Project Manager.

Stewards or other employees, who conduct Union business on working time, in violation of this provision, shall be subject to discipline for dereliction of duty under Article 12 of this Agreement; provided that it is expressly agreed and understood between the Parties that the Company may schedule disciplinary interviews consistent with Section 12.6 of this Agreement during working time.

<u>Section 4.2</u> Union Activities. Neither Union officials nor employees shall, during the working time of any employees participating, solicit membership, receive applications, hold meetings of any kind for the transaction of Union business, or conduct any Union activity other than the handling of grievances to the extent such work time activity is specifically allowed by the Company.

Section 4.3 Government Cooperation. The Union acknowledges and agrees that the terms and conditions of this Agreement, and employees' employment with the Company, are subject to certain priorities, rules, procedures and restrictions of the United States Government. The Union agrees to cooperate with the Company in all matters required by the Government and to comply with all such Government priorities, rules, procedures and restrictions. The Union further agrees that any actions taken by the Company pursuant to a request from DHS or other agency of the United States Government shall not constitute a breach of this Agreement. Any action that DHS or other agency of the United States requests the Company to take immediately, may be taken without prior notice to or discussion with the Union. However, whenever such action affects a term or condition or employment, the Company agrees to notify and discuss with the Union the effects of that action.

ARTICLE 5 MANAGEMENT RIGHTS

The Union recognizes that any and all rights concerned with the management of the business and the direction of work force are exclusively those of the Company. The Company retains all of its normal, inherent common law rights to manage the business, whether or not exercised, as such rights existed prior to the time any union became the bargaining representative of the employees covered by this Agreement, except as limited by, and consistent with the rights of the Union and its represented employees as set forth in this Agreement or as established by law, statutes, and government regulations. The rights of management shall include the right to: hire, assign, schedule, lay off, recall, promote, demote, transfer, suspend, discharge, or otherwise discipline employees for just cause; determine, establish, and implement terms and conditions of employment (prior to discussion with the Union); determine, establish, or continue reasonable policies, practices, and procedures for the conduct of the business and, from time to time, to change or abolish such policies, practices, or procedures in order to prevent any redundancy or duplication of work or for any other reason provided such rights and policies are not in conflict with any provision of this Agreement and do not abridge the rights and benefits of employees as conferred by this Agreement or otherwise; determine and select the uniform and equipment to be used in the Company's operations and, from time to time, to change or to discontinue the use of any uniform or equipment and to select new uniforms or equipment for its operations, including equipment for new operations; determine the number of hours per day or week that operations shall be carried on; establish day and night shifts, set the hours of work and the number of employees for such shifts, and from time to time, to change the shifts and the hours of employees thereof; determine the fact of lack of work; make and enforce safety rules and rules governing the conduct of employees within the work site and for the maintenance of discipline; and take any other measures which are reasonable and necessary for the orderly, efficient, and profitable operation of its business.

- Section 5.2. The Company shall have the right at any time to establish, administrate or alter the practices or customs of break periods (prior to discussion with the Union), and telephone calls by employees and to limit or restrict such practices or customs as the Company may determine necessary.
- Section 5.3. The Company shall have the right to require of any employee at any time a physical examination by a physician of its choosing to determine said employee's physical and mental ability to perform their job assignment efficiently and safely. The Company shall have the right to evaluate the ability of the employee to perform their job assignment efficiently and safely. The Company may promote, demote, lay off, transfer, or discharge said employee as a result of such evaluation. This Section shall be interpreted in accordance with applicable federal and state law.
- Section 5.4. The Company shall have the right to evaluate the work performance of the employees by this Agreement, and shall have the right to transfer, or discharge employees for inefficiency, incompetence, or inability to perform the work assigned to them.
- Section 5.5. The Company shall have the right to establish, administer, or change a drug and alcohol abuse prevention program in accordance with federal and state regulations. The Company shall have the right to test employees for drugs or alcohol upon reasonable suspicion, and to discipline employees based on the results of such tests.
- Section 5.6 No waiver. The Company's failure to exercise any right, prerogative, or function hereby reserved to it, or the Company's exercise of any such right, prerogative, or function in a particular way, shall not be considered a waiver of the Company's right to exercise such right, prerogative, or function or preclude it from exercising the same in some other way not in conflict with the express provisions of this Agreement.
- Section 5.7 The above rights of management are not inclusive of all manners or rights which belong to management. Any other rights, powers or authority the Company had prior to signing this Agreement are retained by the Company, except those which violate express provisions of this Agreement.

ARTICLE 6 NONDISCRIMINATION

Section 6.1 The parties hereto agree that there will be no discrimination against any employee or applicant for employment because of race, color, religion, sex, national origin, or membership or non-membership in any labor organization, as provided by law. The Company shall give due consideration to qualified Vietnam era veterans and to disabled individuals as provided by law. The Company agrees that it shall comply with all federal and state (where applicable) employment discrimination laws, which are incorporated herein in their entirety, and will not discriminate against any employee with regard to race, color, religion, age, sex, national origin, or disability in violation of such laws.

Section 6.2 It is expressly agreed and understood that the dispute resolution procedures set forth in Article 12 of this agreement shall be the sole and exclusive forum for resolving all claims, demands or actions arising under state or federal law arising from the employment relationship between the Company and you to the fullest extent permitted by such laws. Such laws shall include, but not be limited to, the Age Discrimination in Employment Act (29 U.S.C. § 621 et seq.), Title VII of the Civ il Rights Act of 1964 (42 U.S.O. §2000e et seq.), the Rehabilitation (29 U.S.C. § 793 et seq.), the Civil Rights Act of 1966 and 1971 (42 U.S.C. § 1981 & 1983), Executive Order 11246 the Americans with Disabilities Act (42 U.S.C §12101 et seq.), the Civil Rights Act of 1991 (Pub. L 102-66), the Family and Medical Leave Act of 1993 (29 U.S.G. § 2601 et seq.), the Equal Pay Act (29 U.S.C. § 201 et seq.), and Disabled & Viet Nam Veterans Act (38 U.S.C. §4212), applicable state employment and wage and hour laws, the Fair Labor Standards Act, and any other state or federal law relating to employment discrimination or termination, statute or common law.

ARTICLE 7 HOURS OF WORK

- Section 7.1 Purpose of this Article. The sole purpose of this Article is to provide a basis for the computation of straight time, overtime and fringe benefits, and nothing contained in this Article or this Agreement shall be construed as a guarantee or commitment by the Company to any employee of a minimum or maximum number of hours of work per day, per week or per year. It is expressly agreed and understood by the Parties that such scheduling and personnel needs shall be the sole prerogative of the Company.
- Section 7.2 Workweek. The Company's workweek shall consist of seven (7) days, beginning on Friday at 12:00 a.m. and ending the following Thursday at 11:59 p.m.
- Section 7.3 Workday. A workday shall be defined as from 0000 hours until 2359 hours.

- Section 7.4 Overtime Work. Employees may be required to work reasonable overtime assignments at the discretion of the Company. An employee not excused by the Company from performing assigned overtime, and who refuses to work overtime, will be subject to appropriate discipline. In accordance with Article 14 of this Agreement, opportunity to work overtime shall be provided consistent with the Company's needs and circumstances and must be authorized in advance by the Company.
- Section 7.5 Overtime Work. For purposes of this Agreement, full-time employment is defined as 36 working hours during a work week. Hours worked in excess of 40 hours during a work week will be paid at overtime.
- Section 7.6. Every effort will be made to provide each employee with a paid ten (10) minute break for every four (4) hours of continuous work. While on break, employees are required to stay on-call and respond to emergency situations as they arise. Emergency "10-44" breaks will be provided when necessary if manpower is available.
- Section 7.7. Officers will sign-in at their scheduled start time and sign-out when they are properly relieved. If an officer is instructed to document an erroneous arrival or departure time then that officer must immediately contact Management without fear of reprisal.
- Section 7.8. The Company shall have the exclusive right to establish new shifts in addition to the shifts in effect at the time this Agreement was executed. Any change of shift hours will be discussed with the Union prior to implementation; however the Company will have final authority in establishing shifts.
- Section 7.9. Posts and hours are contingent upon the contractual agreement between the Company and the Government. Any changes of shift hours will be discussed with the Union prior to implementation; however, the Company will have final authority in establishing shifts.

ARTICLE 8 STRIKES AND LOCKOUTS

- Section 8.1 The Union and all employees agree that during the life of this Agreement, there will be no secondary boycotts, strikes, work stoppages, slow downs, picketing or other interruption of work. Any employee who engages in any of the above activities may be subject to immediate discharge or other disciplinary action.
- Section 8.2 The Company agrees there will be no lockout of employees during the life of this Agreement.

ARTICLE 9 HOLIDAYS

Section 9.1 Eligibility. All employees will receive paid leave for the following ten (10) holidays (or holiday pay in lieu thereof, if required to work the holiday):

Christmas Day
New Year's Day
Martin Luther King, Jr. Birthday
President's Day
Independence Day
Memorial Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day

Employees must work the day before and the day after a holiday to receive the holiday benefit, provided the day before and the day after a holiday is not the employee's regularly scheduled day off, or the employee was on a pre-approved vacation day or pre-approved paid personal day.

An employee who is requested and agrees to work on any of the above named holidays, but fails to report to work for such holiday shall not receive holiday pay, and shall be subject to discipline up to and including discharge.

It is expressly agreed and understood that employees shall not be entitled to holiday pay when on leave, including leave taken under state workers' compensation laws.

Section 9.2 Rate of Pay. An eligible full -time employee who is not required to work a holiday shall be paid eight (8) hours pay at his or her straight time rate of pay. An eligible full-time employee assigned to work on a holiday will receive their straight-time wage for all hours worked plus the eight (8) hours holiday pay specified above.

An eligible part-time employee who is not required to work on a holiday shall be paid a proration of the full-time holiday benefit based upon his or her average weekly hours for the previous two (2) weeks' work. An eligible part-time Employee, assigned to work on a holiday, will receive his or her straight-time wage for all hours worked plus a proration of the full-time holiday benefit up to eight (8) hours based upon their average weekly hours for the previous two (2) weeks work. Holiday pay that is prorated under this Article shall be rounded up or down to the nearest whole hour.

Hours which an employee does not work but for which he or she is compensated under this Article shall not be considered hours worked for the purposes of computing overtime nor shall fringe benefits accrue during such leave.

Section 9.3 The above designated holidays will be paid as follows:

- a. All employees covered by this Agreement will receive holiday pay only on the day the holiday is observed by the client. (E.g., if the holiday falls on a weekend and is observed the following Monday, employees will receive holiday pay only for the Monday on which the holiday was observed, not the weekend day upon which it falls.)
- b. Any work performed on a holiday will be paid at the employee's regular rate of pay in addition to the holiday pay.

Section 9.4 In addition to the Holidays listed in Section 9.1, employees shall be granted any Holiday that is designated by the U.S. Government as a holiday, or a day upon which federal employees are not required to report to work under Presidential Proclamation and will be paid as provided, in this Article, provided the Company receives approval for reimbursement for the Holiday from the Government.

<u>Section 9.5</u> Time paid for but not worked as a Holiday shall not be considered as time worked for the purpose of computing weekly overtime.

ARTICLE 10 LEAVES OF ABSENCE

Section 10.1 Court Leave - An employee who has completed his or her probationary period and who is required to report for jury duty, shall be entitled to leave with pay from regularly scheduled hours of work for the time spent in such service up to a maximum of five (5) work days; provided, however, for the employee to be eligible for compensation, the employee must have notified the Company within forty-eight (48) hours of receiving the jury duty questionnaire or notice that he or she is subject to a jury duty call. For each hour of such leave taken, the employee will be compensated by the Company in an amount equal to his/her straight time rate of pay, less the amount received by the employee from the court or government agency.

Section 10.2 Military Leave. The Company will comply with the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. §4301 et seq. ("USERRA"). Leave taken under USERRA shall be unpaid; provided that, an employee may elect to use any accrued vacation in lieu of unpaid military leave.

Section 10.3 Bereavement Leave. An employee shall be entitled to leave with pay for a maximum of twenty-four (24) scheduled work hours lost in the event of the death of the employee's parent, sibling, child, step-parent, step-child, stepsibling, spouse, mother in law, father in law or grandparent. Leave under this section shall be conditioned upon the employee submitting to the Company, if the Company so requests, proof of the death of the deceased and the employee's relationship to the deceased. In the event travel to the funeral or memorial service for the death of one of the above exceeds 400 miles one-way,

the employee shall be entitled to two (2) additional days of unpaid leave, to be taken consecutively with the paid bereavement leave.

Section 10.4 Union Leaves of Absence. The Company will permit an authorized representative of the Union an unpaid leave of absence to attend meetings, training and/or conventions for the Union, provided a written request is received by the Program Manager at least three (3) weeks prior to the beginning of such leave, and providing that this leave does not negatively impact Company operations. In no event will more than three (3) Union representatives be permitted leave under this provision. The maximum total period of such leave shall be fourteen (14) days total in any calendar year.

Section 10.5 Family and Medical Leave.

- A. Leave Entitlement. An employee who has been employed by the Company for 12 months and who completed 1250 hours of work during the 12 month period immediately preceding the commencement of such leave, will be entitled to leave under the Family and Medical Leave Act ("Act") in accordance with its provisions.
- B. Year for Purposes of Determining Leave Entitlement. For purposes of determining an employee's Leave entitlement under the Act, the 52-week period immediately preceding the commencement of leave under the Act shall be the applicable measuring period.

Section 10.6. Sick & Personal Leave with Pay.

- A. Effective October 1, 2014, all non-probationary, full time employees employed as of that date will accrue and be allotted two (2) sick days and four (4) personal days paid leave annually.
- B. Effective October 1, 2015, all non-probationary, full time employees employed as of that date will accrue and be allotted two (2) sick days and four (4) personal days paid leave annually.
- C. Effective October 1, 2016, all non-probationary, full time employees employed as of that date will accrue and be allotted two (2) sick days and four (4) personal days paid leave annually.
- D. Eligible part-time employees shall be entitled to pro-rated personal and sick leave at their straight-time rate based on the number of hours worked in the previous year, divided by 1872. For example, part-time employees who have been continuously employed for one (1) year and who worked a total of 936 hours the prior year would be eligible to receive 16 hours paid personal leave and be allotted 1 sick day.
- E. Employees taking personal days are required to arrange personal leave with their supervisor prior to taking the time off. Employees taking sick leave must comply with nominal call-off procedures as set forth in Sections 8.7 and 12.2 if the time off was not authorized in advance. Employees failing to obtain prior authorization for personal

days, or failing to comply with Sections 8.8 and 12.2 shall be subject to discipline, up to and including discharge, as set forth in those Sections, respectively.

- F. Employees may not take personal/sick leave under this Section in increments of less than one day (8 hours). Employees shall be compensated for personal/sick at the straight time rate of pay at the time the personal/sick leave is accrued.
- G. Personal/sick leave shall not be deemed hours of work for the purposes of computing overtime or other premium pay under this Agreement, nor shall fringe benefits accrue during such leave.
- H. To be eligible for sick leave under this Section, the Employee must be absent from work for a verifiable illness for a period of three (3) days. Sick leave shall accrue and become reimbursable by the Company upon the employee's fourth (4th) day of absence. Absences for the first three (3) days of employment are not reimbursable as sick leave. Upon returning to work, the employee shall be required to provide verification from a physician licensed by the District of Columbia or a neighboring State or Commonwealth of the employee's illness and authorization for absence from work. Failure to provide the required physician's verification shall be grounds for discipline up to and including termination and such leave shall not be reimbursed.
- I. An employee who is unable to perform the functions of his or her position because of illness or injury, or for other medical reasons (including dental and medical examinations) may request to use accrued but unused vacation leave or, alternatively, may request unpaid leave subject to approval by the Company at its discretion.
- J. All unused personal leave shall be paid at the end of the Government contract anniversary year. All accrued and unused sick/personal accrued prior to October 1, 2014, shall be paid out to the employees in the next regular payday after October 1, 2014. Sick leave accrued under this Agreement commencing October 1, 2014, is not paid out.
- Section 10.7 Notice of Absence. An employee who will be absent due to illness or injury or for other medical reasons (including dental and medical examinations) must provide the Company notice of his/her anticipated absence as required in Section 12.2, regardless of the length of the anticipated absence and regardless of whether the employee seeks vacation pay for the absence. Failure to do so will result in discipline up to and including discharge in accordance with Article 12.
- Section 10.8. Rate of Pay. Except as otherwise provided in this Article, for any paid leave taken under this Article 10, an employee shall be compensated at the straight-time rate of pay at the time the leave is accrued. Except as otherwise specifically provided in this Article, hours of leave, whether paid or unpaid, shall not be deemed hours of actual work for the purposes of computing overtime.
- Section 10.9 Except as otherwise herein provided, it is agreed by the parties that there shall not be any loss of seniority while employees are on such leaves of absence as

provided for in this Article; however, employees shall not accrue vacation or sick leave or receive holiday pay during any leave of absence that extends beyond thirty (30) consecutive days.

Section 10.10 No employee will engage in employment with another employer while on a leave of absence as provided for herein.

ARTICLE 11 VACATION

Section 11.1 Eligibility. All employees will earn vacation time up to the maximum amounts set forth below.

Upon completion of one (1) year of service:
Upon completion of five (5) years of service:
Upon completion of ten (10) years of service:
Upon completion of fifteen (15) years of service:
200 hours

Employees shall be eligible for earned vacation upon the completion of one (I) year of continuous employment (not to include pre-assignment training) and each subsequent anniversary to the date of hire with the Company or predecessor to the Contract between the Company and the Government. Vacation shall not vest and employees shall not be entitled to vacation under the above schedule until the employee has completed each twelve (12) months of employment. If an employee separates from employment for any reason with less than one year and one day of employment with the Company or its predecessor shall not be entitled to any vacation pay.

Section 11.2 Accrual. Vacation time for all employees is earned based on the employee's hours worked. The amount earned is calculated by the number of hours worked in the previous year, divided by 1872, and then multiplied by the maximum vacation hours for that employee's years of service. No employee may earn more than the maximum for that employee's years of service.

Section 11.3 Rate of Pay. Employees shall be compensated for vacation at the straight-time rate of pay in effect at the time the vacation was accrued.

Section 11.4 Vacation Scheduling. Vacation leave shall be taken at such times mutually convenient to the employee and to the Company; provided, however, the Company shall retain the final right to approve, deny, schedule and cancel all vacations. Employees may not take vacation in increments of less than eight (8) hours. A vacation request shall be made at least thirty (30) days in advance of the date the requested vacation is to begin and shall be submitted on a form to be provided by the Company. The Company may approve vacation requests on shorter notice within its discretion.

No more than five (5) percent of the workforce may be on vacation at any time. Conflicts in vacation scheduling shall be resolved by the Company at its discretion.

Section 11.5 An employee may cash out up to one half of the vested and unused vacation balance on the books at any time during the year.

Section 11.6 Continuous Employment Employees who are placed on inactive status for any reason (including but not limited to unpaid leave, expired or lapsed credentials, suspension, or worker's compensation, but <u>not</u> including regular vacation) for thirty (30) days or more during any year of service (i.e., the 52-week period beginning on the employee's anniversary date) shall not be entitled to any vacation benefits under this section for that year of service.

ARTICLE 12 DISCIPLINE AND DISCHARGE

Section 12.1 Just Cause. No employee shall be discharged or disciplined without just cause, and discharge and discipline matters shall be subject to the grievance and arbitration procedures contained in this Agreement. However, an arbitrator shall not have the authority to reduce a discharge or otherwise modify the discipline imposed by the Company for a proven violation of any of the following:

- A. Violation of Rules and Regulations of Government Public Building and Grounds, 41 CFR Section 101-20.3.
- B. Neglect of Duty (including sleeping while on duty or action which causes the assessment of a penalty against the Company by the United States Government or DHS), insubordination (including, without limitation, deliberate failure to carry out assigned tasks), and conducting personal affairs during official time. The term "personal affairs" as used in this paragraph does not include the making of telephone or other inquiries concerning the status of children or family members or the provisions of their care provided that such activities have been approved by the Employee's supervisor. Long distance telephone calls shall not be made at Government or Company expense.
- C. Falsification or unlawful concealment, removal, mutilation or destruction of any official documents or records, and/or concealment of material facts by willful omissions from official documents or records.
- D. Fighting on Government property or while on duty. Participating in disruptive or disorderly conduct which interferes with the normal and efficient operations of the Government or Company.
 - E. Theft, vandalism, or criminal acts.
- F. Drinking or drunkenness on the job; use or possession on the job or being impaired by unlawful drugs/stimulants or alcoholic beverages on the job, or violation of the Company's Alcohol and Drug Abuse Policy.
 - G. Improper use of official authority or credentials.
 - H. Unauthorized use of communications equipment or Government property.
- I. Misuse of weapon(s), violation of the Company weapons policy, or possession of private firearm or other private weapon on the job.

- J. Violation of Government security procedures or regulations, including, without limitation, those set forth in the Security Guard Information Manual.
- K. Violation of state or federal laws regarding the possession or use of a firearm.
 - L. Unauthorized post abandonment.
- M. Failure to cooperate with Government officials, local law enforcement authorities, or the Company during an official investigation.
 - N. Falsification of time records.
- O. Deliberate or negligent conduct causing monetary damages, penalties or invoice deductions to the Company.
 - P. Sexual, racial or verbal harassment in violation of Company policy.
- Q. Any violation for which the Company receives a 2820 from the Government.

It is expressly agreed and understood that the Company shall have the right to establish from time to time other reasonable rules of conduct and the right to discipline, up to and including the right to terminate, for violating same. The employer shall have the right to determine the level of discipline.

Section 12.2 Absenteeism. Employees are required to report and be ready for work at their required times. It shall constitute an offense for an employee to be absent from work or late reporting to work without prior authorization.

Employees shall provide as much advance notice as possible of an absence or tardiness. In no case shall such notice be given less than six (6) hours in advance. Failure to provide at least six (6) hours' notice to the Command Center or the Supervisor in advance will result in skipping of a step in the progression of discipline described below. A complete failure to provide notice, to respond to calls, or to appear – a "no call, no show" – shall be cause for discipline up to and including termination.

Each unauthorized absence or late reporting for work will result in the following disciplinary progression, unless the Company determines, in its sole discretion, that mitigating circumstances rendered the event beyond the employee's control.

With respect to the first absence or late reporting within any consecutive 12 month period, counseling shall be given.

With respect to the second absence or late reporting within any consecutive 12 month period, a verbal reprimand will be given.

With respect to the third absence or late reporting within any consecutive 12 month period, a written reprimand will be given.

With respect to the fourth absence or late reporting within any consecutive 12 month period, a one-day suspension will be given.

With respect to the fifth absence or late reporting within any consecutive 12 month period, a three-day suspension will be given.

With respect to a sixth absence or late reporting within any consecutive 12-month period, the employee will be terminated.

It is expressly agreed and understood between the parties that this is a "strict liability" absentee policy.

All disciplinary records shall be removed and expunged from the employee's file after one (1) year, except those showing (a) harassment; (b) threats or violence; (c) insubordination; or (d) a pattern of misconduct.

Section 12.3 TO BE INSERTED

Section 12.4 Standards of Conduct. It is acknowledged and recognized that the Company is in the business of providing security services to the United States Government, and that the provision of these services is highly sensitive. It is therefore essential and expected by the Company and Union that all employees shall act in a highly professional, courteous manner and shall be held responsible for their duties, functions and job requirements. Deviation from or failure to meet this standard shall constitute just cause and result in disciplinary action up to and including termination. It is expressly agreed and understood that the issuance of a 2820 by the Government shall constitute prima facie evidence of failure to meet this standard and shall constitute just cause for discipline.

Article 13. Grievance, Mediation and Arbitration Procedure

Section 13.1 – Grievances. A grievance shall mean a disagreement or dispute raised by the Union or an employee which arises during the term of this Agreement concerning the application, meaning or interpretation of an express provision of this Agreement or the employment relationship between the Company and employee, including but not limited to claims of unlawful employment discrimination as set forth in Article 6 of this Agreement.

Only grievances which involve an alleged violation by the Company of this provision in this Agreement and which are processed in the manner and within the time limits herein provided shall be subject to arbitration, no grievance shall be arbitrable with respect to:

- (a) Any matter involving the administration, interpretation, or application of any insurance plans;
- (b) A decision of the Company to discipline, discharge or otherwise not retain or hire an employee on the U.S. Government's or any of its Officials' determinations that an employee is unacceptable to the Government to perform service on the contract irrespective of the reason or reasons the U.S. Government or any of its Officials find an employee unacceptable to perform services. Evidence of the Government's determination shall be given to the employee and the Union upon termination from the Company.

Except as otherwise expressly stated in this Agreement, the procedures set forth in this Article shall be the sole and exclusive remedy for any grievance asserted by the Union or any employee. Grievances involving the discharge or suspension of an employee will begin at Step 3. A grievance shall be received in the following manner.

Step 1 – Notice to Supervisor. The employee and/or his or her Union representative shall present the grievance or dispute in writing to the employee's direct supervisor within ten (10) calendar days of its occurrence or when the employee knew, or by reasonable diligence should have known, of the its occurrence. The supervisor shall respond in writing to the grievance within ten (10) calendar days of his/her receipt of the grievance to the Union.

Step 2 – Notice to Program Manager. If the grievance is not settled at Step 1 or if the supervisor does not respond within ten (10) calendar days of the Step 1 notice, the employee and/or his or her Union representative shall, within ten (10) calendar days of the date the supervisor responded or the date which the supervisor should have responded, whichever is sooner, submit the grievance in writing to the Company's Project Manager or his/her designee. The Company's Project Manager shall respond to the grievance within ten (10) calendar days of receipt of the grievance.

Step 3 – Notice to Director of Labor Relations. If the grievance is not settled at Step 2 or if the Program Manager does not respond within ten (10) calendar days, the Union shall, within ten (10) calendar days, present the grievance in writing to the Company's Director of Labor Relations or his/her designee. The Company's Director of Labor Relations or his/her designee shall respond in writing to the grievance within ten (10) calendar days.

A. Written Presentation. All grievances shall set forth the facts giving rise to the grievance, the provisions of the Agreement, if any alleged to have been violated, the names of the aggrieved employees and the remedy sought. All grievances shall be signed and dated by the employee or Union representative. All written answers submitted by the Company shall be signed and dated by the appropriate Company representative, and shall be presented to the Union.

B. Provisions of the Essence. The time limitations set forth in this Article are deemed of the essence of this Agreement. No grievance shall be accepted by the Company unless it is submitted within the time limitations and written presentation provisions set forth in section 13.1. If the grievance is not timely and properly submitted at Step 1, it shall be deemed waived. If the grievance is not timely and properly submitted at Step 2 or 3, it shall be deemed finally settled in accordance with the Company's Step 1 or 2 responses, if any, respectively, and the parties shall be bound thereby without recourse to section 13.3.

C. Representation. An employee shall be permitted to have a Union Representative at each step of the grievance procedure.

The Union and the Company may mutually agree to waive the time limits set forth in this Article.

Section 13.2 – Voluntary Grievance Mediation. If, after receiving receipt of the Company's Director of Labor Relations response, the grievance is not settled at Step 3, upon the mutual agreement of the Company and the Union, the parties may submit the grievance to Federal Mediation and Conciliation Service for resolution through non-binding mediation. Submission of the grievance to mediation shall not toll or otherwise effect the time and procedures for submission of the grievance to arbitration pursuant to section 13.3.

Section 13.3 – Arbitration. If after receiving receipt of the Director of Labor Relations response, the grievance is not settled at Step 3, the Union may, within ten (10) calendar days after receipt of the Director of Labor Relations to Step 3, proceed to binding arbitration. Notice that arbitration is desired must be received by the Company ten (10) calendar days after the Union receives the Company's Step 3 answer. Such notice shall identify the provisions of the Agreement allegedly violated and shall set forth such facts and circumstances as well and will provide the Company with reasonable notice of the nature of the grievance. If the parties are unable to agree on an arbitrator within ten (10) calendar days of the of service of the arbitration notice, they shall choose an arbitrator from a panel(s) provided by the Federal Mediation and Conciliation Service.

Except as otherwise expressly provided herein, the American Arbitration Association's Rules for the Resolution of Employment Disputes shall control the resolution of any and all disputes submitted to arbitration under this Agreement. The Arbitrator shall conduct a hearing on the grievance. The decision or order of an Arbitrator shall be final and binding and shall be in writing. Any back pay award shall be reduced by any sums received as unemployment compensation or from other interim employment.

It is expressly agreed and understood by the parties that the failure of the Arbitrator to issue the award within ninety (90) calendar days shall render any award null and void. It is further agreed that as a condition for selecting an arbitrator, all prospective arbitrators shall be informed in writing, prior to retention of the arbitrator, that the arbitrator's award must be rendered in writing within ninety (90) calendar days of the close of the hearing or receipt of the briefs. If an award is rendered null and void because of the failure of an arbitrator to render a timely decision either party may re-submit the dispute to arbitration before another arbitrator within ten (10) calendar days of the expiration of the of the sixty calendar days period.

The Arbitrator shall have no authority to alter, amend or add to this Agreement. None of the time limits or presentation requirements contained in this Article may be waived or extended except by mutual agreement in writing. All fees and expenses of the arbitrator shall be borne equally by the Parties, except where one of the Parties to the Agreement requests a postponement of a previously scheduled arbitration hearing which results in a postponement charge. The postponing Party shall pay such charge unless the postponement results in a settlement of the grievance, in which case the postponement charge shall be borne equally by the Parties. A postponement charge resulting from a joint postponement request shall be borne equally by the Parties. Each Party will bear its own legal expenses and costs incident to witnesses.

ARTICLE 14 WAGES

Section 14.1 Straight Time Rate of Pay. The Company agrees to pay employees for all hours worked on the contract at the straight time rate of pay set forth below:

From execution of this Agreement until midnight on September 30, 2014:

Guard II PSO:

\$26.75

Console Operator:

\$27.25

Effective October 1, 2014:

Guard II PSO:

\$28.45

Console Operator:

\$28.93

Effective October 1, 2015:

Guard II PSO:

TBD

Console Operator:

TBD

The Employer and the Union shall meet in subsequent years to negotiate wages and benefits re-openers.

Section 14.2 Overtime. Overtime pay is calculated at one and one-half (1.5) times the employee's straight rate for all hours of work in excess of forty (40) hours of actual work in any single work week. There will not be any pyramiding of hours worked. Only hours actually worked will be recognized in determining overtime eligibility.

Section 14.3 Training Time. The Company agrees to pay employees who are required to participate in mandated Company or government training, firearms

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qualification and testing, CPR/First Aid certification, and retraining to the extent required by any contract between the Government and the Company at the straight time rate of pay set forth in Section 14.1 effective at the time of testing/training. The Company agrees to pay employees who are required to undergo health and fitness examinations up to four (4) hours at the straight time rate of pay; any time for health and fitness examinations over four (4) hours shall be paid at the FLSA minimum wage rate or the State or Local minimum wage rate, whichever is higher. In the event that an employee is required to repeat a training course/qualification, the Company shall pay for the employee's work time while taking such remedial courses, remedial training, and additional weapons range time at the FLSA minimum wage rate or the State minimum wage rate, whichever is higher.

Section 14.4 All Other Time. Except for training and testing discussed in Section 14.3, the Company agrees to pay employees the State or FLSA minimum wage rate (whichever is higher) for all hours worked (as that term is defined under the FLSA) that are not considered work on the contract, and thus are not paid at Service Contract Act rates.

ARTICLE 15 HEALTH AND WELFARE BENEFITS

Section 15.1 The Employer will make the following health and welfare contributions to a bona fide health and/or retirement plan on all hours worked on post, up to forty (40) hours per week and up to a total of 2080 hours per contract year, for all Employees covered by this Agreement as described in this Article.

Current	Effective October 1, 2014	Effective October 1, 2015
\$4.00	\$4.02	TBD

Section 15.2 Pension. From execution of this Agreement through September 30, 2014, the Company agrees to make a \$1.00 pension contribution to a bona fide retirement plan on all hours worked on post, up to forty (40) hours per week and up to a maximum total of 2080 hours per contract year. Effective October 1, 2014, the pension shall be discontinued.

ARTICLE 16 GENERAL PROVISIONS

<u>Section 16.1</u> Non-bargaining unit employees, including supervisory employees, shall not perform bargaining unit work except in the case of emergencies or for training employees.

Section 16.2 Pay days shall be bi-weekly, every other Thursday. The Company reserves the right to change pay periods or paydays for legitimate business reasons, provided the Union and employees are given at least three (3) weeks notice of the change.

Section 16.3 The Company will provide at no cost to the employee, replacement uniforms and equipment as needed when they are worn out and cannot be repaired, except for neglect. Neglect will be determined at the sole discretion of the Company. Uniforms replaced due to neglect will be the financial responsibility of the employee. Uniforms will be kept clean and serviceable by the employee. The Company reserves the right to inspect uniforms and/or equipment at any time to ensure that the employee is properly maintaining their uniforms and/or equipment.

Section 16.4 The Employer will allow the Union up to 30 minutes (unpaid) during new hire training to discuss the Union and Officer representation. Union officials participating in such meeting will not be paid. There will be no derogatory comments about the Employer or individuals during these meetings.

Section 16.5 Call in Pay. When a non-probationary employee is called in or scheduled to work by management outside of his/her regular scheduled working hours, he/she will be guaranteed a minimum of four (4) hours of pay or pay for time actually worked, whichever amount is greater, at his/her base straight time, hourly rate. Hours paid but not actually worked under this provision shall not be construed as time worked or paid for the purposes of computing overtime hours worked to compute overtime pay.

<u>Section 16.6</u> Labor Management Meetings. The parties agree to hold Labor-Management meetings on a quarterly basis. It is agreed that grievances, charges, lawsuits, etc. will not be discussed during these meetings.

Section 16.7 Walk Time. Employees required to walk to a post after drawing their assigned weapon, and walk back from post to turn in their assigned weapon, will be paid for the amount of time reasonably required for that walk. It is understood that the amount of time needed varies by post. The Company has conducted a walk study for each post in order to determine a reasonable walk time, and has determined that no post requires more than five (5) minutes under ordinary circumstances. The Company will pay five (5) minutes of walk time, each way, for each post. In the event the post locations or armory location changes during the course of this Agreement, the parties will meet to negotiate the amount of walk time needed.

ARTICLE 17 SENIORITY

Section 17.1 Government Seniority is the total length of time spent by an employee in any capacity in the continuous service of the present (successor) contractor for the time spent in performing on the Government contract itself, and where applicable, the total length of time spent in any capacity as an employee in the continuous service of any predecessor contractor(s) who carried out similar contract functions on the Contract. Government Seniority shall be used in determining the applicable fringe benefits earned by employees under provisions of the Service Contract Act and this agreement.

Such seniority shall be computed from the first day assigned to post on the contract of the employee's most current employment in a classification in said bargaining unit.

Section 17.2 An employee must have successfully completed three (3) months or 90 calendar days from date of hire with the Employer in order to have any seniority standing. Until an employee acquires seniority standing, he shall be regarded as on probation and he may be disciplined or his services may be terminated at the sole discretion of the Employer without any recourses by said probationary employee, with the exception of wages and condition of employment, to the grievance procedure set forth in this Agreement. The Union does not represent probationary employees in matters related to their layoffs or discharges. The Employer, in exercising its rights in this Section, will not violate Article 8 of this Agreement. At the end of such probationary period, the employee shall acquire seniority from the first day assigned to post on the contract, as mentioned in Section 18.1 above.

Section 17.3 Where two employees have the same seniority date, the employee whose last four (4) digits of his social security number are highest will be regarded as the senior employee of record for the seniority provision of this Agreement.

Section 17.4 Seniority shall govern lay-off and recall, classification and post/shift openings if they can meet qualifications and requalification. Lay-offs shall be made in the following order, based on the employee's service:

- 1. Part-time employees
- 2. Full-time employees

Recall shall be in the reverse order of layoffs. Lay-offs shall be in inverse order of seniority.

Section 17.5 An employee shall lose all seniority rights for any of the following:

- A. Quits.
- B. Discharged for just cause.
- C. Fails to work following recall after a lay-off within two business (2) days after being notified by telegram or registered mail, use of which shall be considered to be notification, sent to his last known address.
- D. Laid off, off sick, off injured, or has an illness or injury compensable under Workmen's Compensation, for a continuous period of one (1) year or more.
- E. Fails to meet a qualification or requalification requirement in accordance with the Government contract.

Section 17.6 The Employer agrees to furnish the Local Union with an up-to-date seniority list every two (2) months. Seniority lists shall be provided by the Company at Union's request, to include full-time and part-time employees.

Section 17.7 An employee who transfers out of the bargaining unit to a supervisory position will not continue to accumulate seniority while transferred out of the bargaining unit. If the employee returns to the bargaining unit within a ninety (90) day period, the employee shall not lose his seniority rights in the bargaining unit, which he held at the time of transfer out of the bargaining unit. If the employee remains outside of the bargaining unit over ninety (90) days, his Union seniority will be terminated in the bargaining unit. However, said employees total seniority for wage and benefits level entitlement shall remain unimpaired and unaffected.

Section 17.8 Shift Bidding. "Shifts" within the meaning of this section include an employee's regularly scheduled hours and days of work. When a shift opening becomes available, the Company will award the shift based on seniority and job qualification. Job qualifications include all training and certification requirements for that location, together with any necessary clearance requirements. From among the qualified bidders, the Company shall award the shift based on seniority. In the event the Company's operational needs require the Company to award a shift temporarily to a less senior employee, the Company will notify the Union of the circumstances and negotiate with the Union over the effects of such deviation.

An employee who is awarded a shift opening for which he or she bid must accept it. After being awarded a shift opening, an employee may not bid for another shift opening for a period of six (6) months. An employee who is unable to perform the position to which he or she bid to the satisfaction of the Company within ninety (90) work days, as documented by specific performance issues, after being awarded the job may be transferred to another permanent position if available.

Section 17.9 Super Seniority. All members of the Executive Board of USPOA Local 210 and Shop Stewards shall have super seniority over the bargaining unit members. In the event of a seniority-based dispute involving two or more members of the aforementioned group, the employee's individual seniority will prevail.

ARTICLE 18 SCOPE OF AGREEMENT

Section 18.1 This Agreement shall be effective as stated in the Preamble of this Agreement and it supersedes any and all prior agreements or understandings of the parties. It is expressly agreed and understood that the wage and fringe benefit rates agreed to herein are the product of concessions and compromises by the parties during the negotiations which resulted in the Agreement; that this Agreement contains and comprises the entire agreement and understanding between the Parties regarding wage and fringe benefits; and that this Agreement displaces any and all prior wage and fringe benefit obligations or requirements of the Company. The Agreement shall remain in force and effect until 2400 hours on September 30, 2017, and shall continue in force and effect from year to year thereafter unless, not less than sixty (60) days prior to October 1, either party gives written notice of its intention to modify or terminate this Agreement.

Section 18.2 In the event that any provision of this Agreement (including addendum hereto) shall at any time be declared invalid by any court of competent jurisdiction or through government regulations or decree, the Parties agree to renegotiate such provision of this Agreement for the purpose of making it/them conform to the decree, decision, regulation or statute so long as they shall remain legally effective. It is the express intention of the Parties that all other provisions not declared invalid shall remain in full force and effect.

Section 18.3 Waiver of Bargaining Rights and Amendments to Agreement. The parties acknowledge that, during the negotiation which resulted in the Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed, by law from the area of collective bargaining, and all understandings and agreements reached by the parties are set forth in this Agreement. Except as specifically set forth elsewhere in this Agreement, the Company expressly waives its right to require the Union to bargain collectively, and the Union expressly waives its right to require the Company to bargain collectively, over all matters as to which the National Labor Relations Act imposes an obligation to bargain, whether or not (a) such matters are specifically referred to in this Agreement, (b) such matters were discussed between the Company and the Union during the negotiations which resulted in this Agreement, or (c) such matters were within the contemplation or knowledge of the Company or the Union at the time this Agreement was negotiated and executed. As used in this Section 17.3, the waiver of the right to "bargain collectively' includes the waiver of the right to require the other party to negotiate, and the right to obtain information from the other party.

SECTION 18.4 Successors and Assigns. Except in cases of condemnation or liquidation, this Agreement shall be binding upon the parties hereto, their successors and assigns.

SECTION 18.5 - Integration. This Agreement and the addendum attached hereto contains the entire understanding, undertaking, and agreement of the Company and the Union, and: finally determines all matters of collective bargaining for this term. Changes to this Agreement, whether by addition, waiver, deletion, amendment or modification, must be reduced to writing and executed by both the Company and the Union.

IN WITNESS WHEREOF, the parties hereto have hereunto caused their names to be subscribed and signed by their duly authorized officers this date.

Paragon Systems Inc.

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0	Laura M. Hagan Vice President and General Counsel	Assane Faye: MM 9/17/19 Lamar J. Layne: Samp. Hogy 9/17/14
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USPOA and its Local 210